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SUBJECT: DUZCE: BLESSED BY NATURE, CURSED BY NATURE

11. (sbu) Summary: On November 12-13, the fourth anniversary of a major earthquake, Poloff visited Duzce, a small Black Sea province halfway between Istanbul and Ankara. Impoverished by natural disasters and cruel circumstances, Duzce is Turkey's newest province and has placed its trust in the Justice and Development (AK) Party, hopeful that Prime Minister Erdogan and his government can deliver it from misfortune. Judging by the concurrent visits by AKP ministers and their reception in Duzce, the government appears to be attentive to local concerns, even if there may ultimately be limits on how responsive they can be. End Summary.

12. (sbu) Poloff visited Duzce on the fourth anniversary of the 1999 earthquake that killed 782 people, devastated the city center, destroying or damaging most of the buildings in the area. The Duzce quake came just three months after the nearby, more-destructive Izmit/Adapazari earthquake that also caused significant local damage in Duzce. As a result of the earthquakes and the devastation, a political decision was made to elevate the Duzce district to become Turkey's 81st province. A governor and staff were appointed to oversee provincial reconstruction and management. Asked whether the new status had brought tangible benefits to Duzce, Mayor Ruhi Kurnaz told poloff that it had brought additional burdens, including the costs of building offices for the governor and all of the provincial bureaucrats. Local citizens largely agreed.

13. (sbu) Locals claim that following the earthquakes and other developments (see below) Duzce went from being modestly affluent to impoverished and needy. Although the Ecevit government, with international assistance, built entire new neighborhoods of modern apartment blocks for the earthquake victims, the construction process was tainted by corruption and has left many disappointed. The 7,500 new apartments were designated only for land-owners who lost property. Those who lost multiple properties still received only one unit per person. Those who rented apartments that were damaged or destroyed received nothing. The ultimate cost to the new apartment owners is still unclear and none has been given formal deeds to new property.

#### Political Outlook

14. (sbu) With a predominantly conservative and traditional population of about 300,000, Duzce has tended to vote for center-right and right-wing political parties. Home to a number of different Caucasian peoples, Duzce has one of Turkey's largest Cherkez populations (estimated at 50,000 by the local Cherkez Foundation), in addition to large numbers of Adagians, Abkhazians, and Laz. Duzce residents are oddly proud of the national stereotype that portrays them as gun-toting "tough guys" (Note: Muhammed Tokcan, a Turkish-Chechen from Duzce, is famous (and sometimes admired) for his hijacking of a Black Sea ferry and hostage-taking in the Istanbul Swissotel to protest Russia's military actions against Chechnya).

15. (sbu) Pointing proudly to the fact that in the 2002 general elections Duzce gave AK 53 percent of the vote (one of its best provinces nationwide), AK Party provincial chairman Saim Tut told poloff he is confident that the party continues to make inroads with the public. A former Duzce AKP founding member (now a village muhtar, or elected leader) begrudgingly admitted that he and other older members (who had signed on when nobody was interested in AKP) had been voted off the board this year in favor of "new, young blood." The CHP provincial and district chairmen, meanwhile, displayed to poloff a stunning lack of vision and energy (declaring themselves pleased with "doubling" their votes to 8 percent in 2002), a total disconnect on political issues with the local populace, and a fundamentally flawed understanding of Turkey's IMF program and economic crisis. Mayor Kurnaz (a member of Saadet Party and a passionate support of party chairman Erdogan) confided to poloff that he does not intend to run in the upcoming March 28 local elections (Note: A number of local contacts indicated that

Kurnaz would be unlikely to win reelection against a strong AKP candidate).

#### Land of Plenty...

16. (sbu) Duzce has some of the most productive agricultural land in Turkey. Blessed with abundant water supplies and rich soil, locals boast that they can grow "anything," and many non-farmers supplement their income by cultivating small plots on their property. The local economy is dominated by agriculture, which, in turn, is dominated by hazelnuts, accounting for anywhere between 10 and 30 percent of Turkey's total production. The President of the Agricultural Chamber estimated that at least 40,000 people work in the agricultural sector. In addition to hazelnuts, Duzce produces significant amounts of tobacco, corn, and cattle. Until the mid-1990s, Duzce was also home to over 600 firms specializing in wood products, including parquet and paneling.

#### But What the Lord Giveth, He can Taketh Away...

17. (sbu) Years before the two major earthquakes in 1999, Duzce was struck by the decimation of its wood industry. A combination of dwindling forests and increasing labor costs left the local industry unable to stand up to Bulgarian competition. Over the period of a few years, all but a dozen or so of the 600 firms have gone bankrupt or moved their production facilities to Bulgaria and other countries. Hasan Demir, the owner of one such company, Aslan Forest Products, explained to poloff that he had no choice but to move to Bulgaria, where his brother now manages the profitable firm which exports the bulk of their products back to Turkey. Thousands of workers who lost jobs in this sector have yet to be picked up by new firms.

18. (sbu) Ironically, one of the main obstacles to new investment, according to almost everyone we spoke to, is the excellent local water supplies. In the early 1990s, faced with severe water shortages, then-Istanbul Mayor Tayyip Erdogan launched a billion dollar project to build a pipeline to bring drinking water from the Greater Melek River in Duzce to Istanbul. With the project now well under way, in order to protect the future Istanbul water supply, national authorities now insist that companies building new facilities in Duzce meet strict and costly environmental standards. Duzce locals are convinced that the new standards are driving away potential investors. Bulent Samli, the General Manager of an Ingersoll-Rand (IR) lock production facility in Duzce, confided to poloff that if IR had not purchased an existing plant (from ITO, Turkey's second-largest lock producer) the strict environmental standards would have prompted them to look elsewhere.

19. (sbu) Finally, even Duzce's economic mainstay, hazelnut production, is now in danger. Ozturk told poloff that this year's harvest will be 60 to 65 percent below previous years. Although the decrease is part of a normal, albeit unpredictable, cycle in hazelnut production, hard-hit local farmers are desperate to diversify their products to protect themselves from future shocks. Here too, though, farmers lament the fact that Duzce has very few food processing plants to soak up local production and seems unable to attract new investment.

#### Pinning Hopes on AKP

10. (sbu) Despite the bleak situation, however, locals believe that the current AKP government is more understanding of their problems than previous governments. Visiting Duzce the same day as poloff, the Agriculture Minister announced a new project to give 100 milk cows to 50 farmers in Duzce (Note: Ozturk criticized the implementation of the program but credited the government with "good intentions"). Medium-size business owners told poloff that despite the continuing need to apply for government "incentives" (i.e., tax exemptions), this government has taken a number of business-friendly measures. Hikmet Keskin, President of the 23,000-strong Esnaflar (small businessmen) Association (and a possible AKP local candidate himself), told poloff that his members have continuing concerns, but that this government has been responsive (e.g., on low-interest credit, restrictions on opening large supermarkets). Finally, Duzce also hopes to benefit from proposed government incentives for provinces with an average annual income below USD 1500.

#### Comment

11. (sbu) The message we heard from this Anatolian province echoes much of what we have heard in the teeming Istanbul suburbs: "It's the economy, stupid." Deliberations on Iraq,

back-and-forth over education or public administration reform, Turkey's on-again off-again EU membership aspirations, even the occasional furor over headscarves are minor concerns for local residents who continue to struggle in the face of economic adversity. AKP's success here in Duzce is more attributable to the party's ability to reach out to the people, listen to their concerns, and make good-faith efforts to address them, than to any ideological agenda. Duzce residents may not be infinitely patient, but for now they have nowhere else to turn.

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